SUMMARY OF TERMS AND CONDITIONS TO $200,000,000 THREE-YEAR CREDIT AGREEMENT

This Summary of Terms and Conditions does not represent a commitment to lend on the part of Wells Fargo Bank, National Association, Merrill Lynch, Pierce, Fenner & Smith Incorporated or Morgan Stanley Senior Funding, Inc. or any other commitment on the part thereof or of any of its affiliates. Any such commitment shall be documented in the final loan documentation. The terms and conditions outlined herein are not intended to be all inclusive, but rather set forth a framework from which a mutually satisfactory transaction may be structured.

Borrower:	South Carolina Electric & Gas Company, a South Carolina corporation (the "Borrower").
Lead Arrangers:	Wells Fargo Securities, LLC ("WFS"), Merrill Lynch, Pierce, Fenner & Smith Incorporated ("ML") and Morgan Stanley Senior Funding, Inc. (("MS") and, together with WFS and ML, the "Arrangers") will arrange and structure the Facility.
Joint Book Runners:	WFS, ML and MS.
Administrative Agent:	Wells Fargo Bank, National Association (the "Administrative Agent" or "Wells Fargo").
Co-Syndication Agents:	Bank of America, N.A. and Morgan Stanley Senior Funding, Inc.
Documentation Agents:	To be determined.
Lenders:	A syndicate of lenders mutually acceptable to the Borrower and the Arrangers (the "Lenders") arranged by the Arrangers.
Issuing Bank:	Wells Fargo.
Facility:	An unsecured three-year revolving credit facility in an aggregate principal amount of up to $200,000,000 (the "Facility"). The aggregate amount of the Facility may be increased to up to $300,000,000 before or after the Closing Date with the consent of the Borrower and the Administrative Agent on terms set forth in the final documentation (if such increase is after the Closing Date); provided, (i) any such increase shall be in a minimum amount equal to $25,000,000 and $5,000,000 integral multiples in excess thereof, and (ii) any such increase shall not increase any Lender's commitment without its prior consent.
Related Facility:	Amended and Restated Five-Year Credit Agreement dated as of October 25, 2012, among the Borrower, Wells Fargo, as Administrative Agent, Issuing Bank and Swingline Lender, Bank of America, N.A. and Morgan Stanley Senior Funding, Inc., as Co-Syndication Agents, those certain Documentation Agents party thereto, Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley Senior Funding, Inc., as Co-Lead Arrangers and Co-Book Runners and certain other lenders party thereto (the "Related Credit Agreement")

Purpose:	The proceeds of the Facility shall be used to provide interim financing for nuclear construction, and for general corporate purposes, including commercial paper back-up.
Maturity Date:	The Facility shall terminate and all amounts outstanding thereunder shall be due and payable three years from Closing; provided, however, the Maturity Date may be extended if the Borrower elects to exercise the Extension Option as described below.
Extension of Maturity Date:	The Borrower may, prior to each anniversary of the Closing Date, but on no more than one (1) occasion, request an extension of the then-existing Maturity Date (each an "Extension Option") for an additional one-year period, subject to (i) advance notice provisions and (ii) the approval of Lenders holding more than 50% of the Commitments then in effect. No Lender shall be under any obligation to approve an extension request, and all Loans of each non-consenting Lender shall be subject to the then-existing Maturity Date, provided that Borrower shall have the right to replace the Commitment of any non-consenting Lender from existing Lenders and/or other financial institutions reasonably acceptable to the Administrative Agent and the Issuing Bank.
Closing:	On or before October 25, 2012.
Interest Rates and Fees:	Interest rates and fees in connection with the Facility will be as specified in the Fee Letter and on *Schedule I* attached hereto.
Loans Under the Facility:	Borrowings may be requested upon three business days notice prior to the date of the proposed borrowing for LIBOR Loans and same business day notice for Base Rate Loans. Notice must be given to the Administrative Agent by 11:00 a.m., Charlotte, North Carolina time, on the day on which such notice is required. The Agent shall give notice to each Lender promptly upon receipt of any notice of borrowing. Each Lender shall, before 1:00 PM, Charlotte, North Carolina time, on the date of such borrowing, make available to the Administrative Agent for the account of the Borrower in same day funds, the proceeds of such borrowing. Such borrowing will then be made available to the Borrower by the Administrative Agent by crediting the account of the Borrower on the books of the Administrative Agent with the aggregate of the amounts made available to the Administrative Agent by the Lenders. The aggregate of all outstanding LIBOR Loans and Base Rate Loans under the Facility will be considered usage for purposes of determining availability under the Facility.
Swing Line Loans:	Up to $20,000,000 of the Facility will be available for swing line loans (each, a "Swing Line Loan"). Wells Fargo shall act as the Swing Line Bank (the "Swing Line Bank"). Swing Line Loans shall be paid no later than 10 business days after such Loans were made. Swing Line Loans shall be for a minimum amount of $1,000,000 and $500,000 increments in excess thereof. Swing Line Loans may be requested upon same business day notice.

Notice must be given to the Administrative Agent by 3:00 p.m., Charlotte, North Carolina time on the date of the requested Swing Line Loan. The Swing Line Bank will make the proceeds of such Swing Line Loan available to the Borrower, in immediately available funds, at the account specified by the Borrower in the notice not later than 4:00 p.m., Charlotte, North Carolina time (or 12 noon, Charlotte, North Carolina time if notice was delivered before 10:00 a.m., Charlotte, North Carolina time). At the request of the Swing Line Bank and notwithstanding the existence of a Default or Event of Default, each of the other Lenders shall purchase from the Swing Line Bank its pro-rata share of the outstanding Swing Line Loans.

Swing Line Loans shall bear interest as set forth on *Schedule I* attached hereto.

Letters of Credit: Up to $20,000,000 of the Facility will be available for the issuance of Letters of Credit by the Issuing Bank. Letters of Credit will be issued by the Issuing Bank at the request of the Borrower and shall expire no later than the fifth (5^{th}) business day prior to the Maturity Date. Borrower may request, from time to time, Loans to refinance outstandings under any Letter of Credit. Each of the Lenders shall acquire an irrevocable and unconditional pro-rata participation on each such Letter of Credit.

Optional Prepayments: Base Rate Loans may be prepaid at any time without penalty. LIBOR Rate Loans may be prepaid at the end of the applicable Interest Period without penalty. Prepayment of LIBOR Rate Loans prior to the end of the applicable Interest Period is subject to payment of any funding losses.

Conditions Precedent to Closing: The Closing of the Facility will be subject to satisfaction of conditions precedent deemed appropriate by the Administrative Agent including, but not limited to, the following:

(i) The negotiation, execution and delivery of definitive loan documentation for the Facility satisfactory to the Arrangers, Administrative Agent and the Lenders.

(ii) There shall not have occurred a material adverse change since December 31, 2011 in the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of the Borrower and any consolidated reporting entities, taken as a whole, or in the facts and information regarding such entities as represented to date and, except as disclosed in the Disclosure Documents, no material litigation shall exist.

(iii) All legal (including tax implications) and regulatory matters shall be satisfactory to the Administrative Agent.

(iv) Receipt and satisfactory review by the Administrative Agent and the Lenders of such financial information regarding the Borrower and any consolidated reporting entities as they may reasonably request.

(v) Payment of all fees and expenses required to be paid on or before Closing.

(vi) Receipt of other customary closing documentation, including, without limitation, corporate resolutions, secretary certificates, third-party approvals and legal opinions of the Borrower's counsel relating to the Facility acceptable to the Administrative Agent.

Conditions Precedent to All Loans and the issuance of Letters of Credit:

Usual and customary for facilities of this type, and substantially similar to those contained in the Related Credit Agreement, including, but not limited to, the following:

(i) all representations and warranties (other than representations and warranties with respect to no material adverse change and no material litigation) are true and correct in all material respects as of the date of each Loan;

(ii) no Event of Default under the Facility has occurred and is continuing or would result from such Loan; and

(iii) satisfaction of conditions to continue the effectiveness of the authorizations in the Public Service Commission order and Federal Energy Regulatory Commission order.

Representations and Warranties:

Usual and customary for facilities of this type, and substantially similar to those contained in the Related Credit Agreement, including, but not limited to, the following:

(i) corporate existence and power;
(ii) corporate and governmental authorization/contravention;
(iii) binding effect;
(iv) correctness of specified financial statements and no material adverse change;
(v) material litigation;
(vi) compliance with ERISA;
(vii) payment of taxes;
(vii) compliance with laws (including OFAC and the Patriot Act);
(viii) ownership of common stock of Borrower;
(x) status under investment company act;
(xi) ownership of property/liens;
(xii) absence of defaults;
(xiii) accuracy of disclosure;
(xiv) environmental matters;
(xv) solvency;
(xvi) insurance;
(xvii) labor matters;

(xviii) use of proceeds/compliance with margin regulations; and
(xix) amendments of organizational documents.

Affirmative and Negative Covenants:

Usual and customary for facilities of this type, and substantially similar to those contained in the Related Credit Agreement, including, but not limited to, the following:

(i) delivery of annual and quarterly financial statements (including officer's certificates relating to the preparation and reissue thereof);
(ii) delivery of compliance certificates, notices of default, material SEC filings, material litigation and material governmental and environmental proceedings;
(iii) inspection of property, books and records;
(iv) limitations on restricted payments;
(v) limitations on liens;
(vi) maintenance of existence / lines of business;
(vii) dissolution;
(viii) limitations on mergers, consolidations and sales of assets;
(ix) use of proceeds;
(x) compliance with laws (including ERISA and environmental laws, OFAC and Patriot Act) and material contractual obligations;
(xi) payment of taxes;
(xii) maintenance of insurance;
(xiii) change in fiscal year;
(xiv) maintenance of properties;
(xv) ERISA and environmental matters;
(xvi) issuances of additional shares of common stock of Borrower;
(xvii) limitation on new significant subsidiaries;
(xviii) limitations on agreements of subsidiaries;
(xix) maintenance of licenses, permits and registrations;
(xx) limitations on transactions with affiliates;
(xxi) limitations on loans and advances; and
(xxii) limitations on investments.

Financial Covenant:

Consolidated Total Indebtedness to Consolidated Total Capitalization of the Borrower not to exceed 70.0%.

For purposes of calculating Consolidated Total Indebtedness for the financial covenant only, "Hybrid Securities" (as defined below) shall not be included in the definition of Consolidated Total Indebtedness to the extent the total value of such Hybrid Securities does not exceed 15% of Consolidated Total Capitalization. "Hybrid Securities" means any trust preferred securities or other deferrable interest subordinated debt securities (a) issued by (1) the Borrower or a subsidiary or (2) any business trust, limited liability company, limited partnership (or similar entity) (i) all of the common equity, general partnership or similar interests of which are owned by the Borrower or a wholly-owned subsidiary, (ii) that has been formed for the sole purposes of issuing Hybrid Securities and (iii) substantially all of the assets of which consist of (A) subordinated Debt of the Borrower or a subsidiary and (B) proceeds received in respect of payments on such subordinated debt, (b) that have a maturity date after June 1, 2034, (c) that require no repayment or prepayments of principal and no mandatory redemptions or repurchases of principal prior to the date which is the 91st day after June 1, 2034 and (d) that permit the issuer of such securities, at its option, to defer certain scheduled interest payments.

Events of Default: Usual and customary for facilities of this type, and substantially similar to those contained in the Related Credit Agreement, including, but not limited to, the following:

(i) nonpayment of principal, interest, fees or other amounts (with cure periods as applicable);
(ii) violation of covenants (with cure periods as applicable);
(iii) inaccuracy of representations and warranties;
(iv) cross-default to other material agreements and indebtedness;
(v) loss or failure to maintain necessary licenses, permits or authorizations;
(vi) bankruptcy and other insolvency events;
(vii) material judgments or tax liens;
(viii) ERISA matters;
(ix) impairment of property;
(x) actual or asserted invalidity of any loan documentation; and
(xi) change of control.

Assignments & Participations: Assignments in minimum amounts of $5,000,000 shall be subject (so long as no Event of Default or Default has occurred and is continuing) to consent of the Borrower, such consents not to be unreasonably withheld or delayed. Participations shall be permitted in minimum amounts of $5,000,000.

Increased Costs/Change of Circumstances: Provisions customary in facilities of this type protecting the Lenders in the event of unavailability of funding, illegality, capital adequacy requirements, increased costs, withholding taxes and funding losses.

Required Lenders: On any date of determination, those Lenders who collectively hold more than 50% of outstandings, or if no outstandings, those Lenders who collectively hold more than 50% of the aggregate commitments of the Lenders.

Waiver of Jury Trial, Governing Law: Waiver of jury trial, submission to jurisdiction in South Carolina. South Carolina law (without reference to choice of law provisions) to govern.

Indemnification: The Borrower shall indemnify the Administrative Agent, the Arrangers, each of the Lenders and their respective affiliates, partners, directors, officers, agents and advisors and hold them harmless from and against all liabilities, damages, claims, costs, expenses (including reasonable fees, disbursements, settlement costs and other charges of counsel) relating to the Facility or any transactions related thereto and the Borrower's use of the loan proceeds or the commitments; provided that such indemnity will not, as to any indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such indemnitee. This indemnification shall survive and continue for the benefit of all such persons or entities.

Expenses: The Borrower shall pay all reasonable costs and expenses associated with the preparation, due diligence, administration, syndication and enforcement of all documentation executed in connection with the Facility, including, without limitation, the reasonable legal fees of counsel to the Administrative Agent and Arrangers, regardless of whether or not the Facility is closed. The Borrower shall also pay the expenses of each Lender (including, without limitation, the reasonable legal fees and expenses of counsel to the Administrative Agent and Arrangers) in connection with the enforcement of any loan documentation of the Facility.

Patriot Act: To help fight the funding of terrorism and money laundering activities, Federal Law requires U. S. financial institutions to obtain, verify and record information that identifies each person or entity that opens an account and/or enters into a business relationship with such financial institution.

Counsel to Wells Fargo Securities & Administrative Agent: Alston & Bird LLP

SCHEDULE I

INTEREST AND FEES

Interest:

At the Borrower's option, loans (other than Swingline Loans) will bear interest based on the Base Rate or LIBOR, as described below:

A. Base Rate Option

Interest will be at the Base Rate plus the applicable Interest Margin (as described below). The "Base Rate" is defined as the highest of (a) the Federal Funds Rate, as published by the Federal Reserve Bank of New York plus 1/2 of 1%, (b) the prime commercial lending rate of the Administrative Agent, as established from time to time at its principal U.S. office (which such rate is an index or base rate and will not necessarily be its lowest or best rate charged to its customers or other banks) and (c) the one-month LIBOR (as defined below) plus 1%. Interest shall be payable quarterly in arrears and (i) with respect to Base Rate Loans based on the Federal Funds Rate and LIBOR, shall be calculated on the basis of the actual number of days elapsed in a year of 360 days and (ii) with respect to Base Rate Loans based on the prime commercial lending rate of the Administrative Agent, shall be calculated on the basis of the actual number of days elapsed in a year of 365/366 days. For purposes of determining the Base Rate for any day, changes in the Federal Funds Rate, prime rate and daily LIBOR shall be effective on the date of each such change. Any loan bearing interest at the Base Rate is referred to herein as a "Base Rate Loan".

Base Rate Loans will be made on same day notice and will be in minimum amounts of $5,000,000 and $1,000,000 in increments in excess thereof.

B. LIBOR Option

Interest will be determined for periods ("Interest Periods") of one, two, three or six months as selected by the Borrower and will be at an annual rate equal to the London Interbank Offered Rate ("LIBOR") for the corresponding deposits of U.S. dollars plus the applicable Interest Margin (as described below). LIBOR will be determined by the Administrative Agent at the start of each Interest Period and, other than in the case of LIBOR used in determining the Base Rate, will be fixed through such period. Interest will be paid at the end of each Interest Period or, in the case of Interest Periods longer than three months, quarterly, and will be calculated on the basis of the actual number of days elapsed in a year of 360 days. LIBOR will be adjusted for changes in maximum statutory reserve requirements (if any). Any loan bearing interest at LIBOR (other than a Base Rate Loan for which interest is determined by reference to LIBOR) is referred to herein as a "LIBOR Rate Loan".

LIBOR Rate Loans will be made on three business days' prior notice and will be in minimum amounts of $5,000,000 and $1,000,000 increments in excess thereof.

Swing Line Loans shall bear interest at a per annum rate equal to the LIBOR Market Index Rate (as defined below) plus the Interest Margin. "LIBOR Market Index Rate", for any day, is the rate for 1 month U.S. dollar deposits as reported on Telerate page 3750 as of 11:00 a.m., London time, for such day, provided, if such day is not a London business day, the immediately preceding London business day (or if not so reported, then as determined by the Swing Line Bank from another recognized source or interbank quotation).

Default Interest: (a) Automatically upon the occurrence and during the continuance of any payment event of default or upon a bankruptcy event of default or (b) at the election of the Required Lenders, upon the occurrence and during the continuance of any other event of default, all outstanding principal, fees and other obligations under the Facility shall bear interest at a rate per annum of two percent (2%) in excess of the rate then applicable to such loan (including the applicable Interest Margin) and shall be payable on demand of the Administrative Agent.

Interest Margins: The Interest Margin with respect to the Facility will be determined in accordance with the Pricing Grid set forth below.

Facility Fee: A facility fee (the "Facility Fee") will accrue on the full amount of the Facility, regardless of usage. The Facility Fee will be determined in accordance with the Pricing Grid set forth below. All accrued Facility Fees will be payable quarterly in arrears (calculated on a 360-day basis) for the account of the Lenders under the Facility and will accrue from the Closing Date.

Letter of Credit Fees: A letter of credit fee shall be payable quarterly in arrears at a rate equal to the Interest Margin on the average outstanding amount of Letters of Credit, to be shared proportionately by Lenders in accordance with their participation in the respective Letters of Credit.

Other Fees: The Lead Arrangers and the Administrative Agent will receive such other fees as will have been agreed in a fee letter dated as of August 6, 2012 between them and the Borrower ("Fee Letter").

Pricing Grid

Senior Unsecured Debt Rating	Interest Margin	Facility Fee
Level 1 at least A+/A1	0.80%	0.075%
Level 2 less than A+/A1; at least A/A2	0.90%	0.10%
Level 3 less than A/A2; at least A-/A3	1.00%	0.125%
Level 4 less than A-/A3; at least BBB+/Baa1	1.075%	0.175%
Level 5 less than BBB+/Baa1; at least BBB/Baa2	1.275%	0.225%
Level 6 less than BBB/Baa2; at least BBB-/Baa3	1.475%	0.275%
Level 7 Less than BBB-/Baa3	1.65%	0.35%

For purposes of this Pricing Grid, the term "Debt Rating" shall mean the ratings (a) with respect to Standard & Poor's Rating Service ("S&P"), assigned to the senior, unsecured non-credit enhanced, long-term debt of the Borrower by S&P (or if no such debt rating is provided by S&P, the issuer credit rating assigned to the Borrower by S&P) and (b) with respect to Moody's Investor Service ("Moody's"), assigned to the senior unsecured non-credit enhanced, long-term debt of the Borrower by Moody's (or if no such debt rating is provided by Moody's, the issuer rating assigned to the Borrower by Moody's). Such Debt Rating shall be based on the availability of such rating as follows:

(i) if either Moody's or S&P shall not have in effect a Debt Rating (other than by reason of the circumstances referred to in (iv) below), then such rating agency shall be deemed to have established a rating less than BBB-, in the case of S&P, and less than Baa3, in the case of Moody's;
(ii) if the Debt Ratings established or deemed to have been established by Moody's and S&P shall fall within different "Levels" and the ratings differential is one level, the higher rating will apply;
(iii) if the Debt Ratings established or deemed to have been established by Moody's and S&P shall fall within different "Levels" and the ratings differential is two levels or more, the level one below the higher of the two ratings will apply; and
(iv) if the rating system of Moody's or S&P shall change, or if Moody's or S&P shall cease to be in the business of rating corporate debt obligations or corporate issuers, as applicable, the Borrower and the Administrative Agent and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from Moody's or S&P, and, pending the effectiveness of any such amendment, the Debt Rating shall be determined by reference to the Debt Rating most recently in effect prior to such change or cessation.

SUMMARY OF TERMS AND CONDITIONS TO $700,000,000 FIVE-YEAR CREDIT AGREEMENT

This Summary of Terms and Conditions does not represent a commitment to lend on the part of Wells Fargo Bank, National Association, Merrill Lynch, Pierce, Fenner & Smith Incorporated or Morgan Stanley Senior Funding, Inc. or any other commitment on the part thereof or of any of its affiliates. Any such commitment shall be documented in the final loan documentation. The terms and conditions outlined herein are not intended to be all inclusive, but rather set forth a framework from which a mutually satisfactory transaction may be structured.

Borrower:	South Carolina Electric & Gas Company, a South Carolina corporation (the "Borrower").
Lead Arrangers:	Wells Fargo Securities, LLC ("WFS"), Merrill Lynch, Pierce, Fenner & Smith Incorporated ("ML") and Morgan Stanley Senior Funding, Inc. (("MS") and, together with WFS and ML, the "Arrangers") will arrange and structure the Facility.
Joint Book Runners:	WFS, ML and MS.
Administrative Agent:	Wells Fargo Bank, National Association (the "Administrative Agent" or "Wells Fargo").
Co-Syndication Agents:	Bank of America, N.A. and Morgan Stanley Senior Funding, Inc.
Documentation Agents:	To be determined.
Lenders:	A syndicate of lenders mutually acceptable to the Borrower and the Arrangers (the "Lenders") arranged by the Arrangers.
Issuing Bank:	Wells Fargo.
Facility:	An unsecured five-year revolving credit facility amending and restating the Existing Facility below in an aggregate principal amount of up to $700,000,000 (the "Facility"). The aggregate amount of the Facility may be increased to up to $800,000,000 before or after the Closing Date with the consent of the Borrower and the Administrative Agent on terms set forth in the final documentation (if such increase is after the Closing Date); provided, (i) any such increase shall be in a minimum amount equal to $25,000,000 and $5,000,000 integral multiples in excess thereof, and (ii) any such increase shall not increase any Lender's commitment without its prior consent.
Existing Facility:	Five-Year Credit Agreement dated as of October 25, 2010, among the Borrower, Wells Fargo, as Administrative Agent, Issuing Bank and Swingline Lender, Bank of America, N.A. and Morgan Stanley Senior Funding, Inc., as Co-Syndication Agents, Branch Banking and Trust Company, as Documentation Agents, Wells Fargo Securities, LLC, Banc of America Securities LLC and Morgan Stanley Senior Funding, Inc., as Co-Lead Arrangers and Co-Book Runners and certain other lenders party thereto (the "Existing Credit Agreement").

Purpose: The proceeds of the Facility shall be used to refinance existing indebtedness of the Borrower under the Existing Credit Agreement, to provide interim financing for nuclear construction, and for general corporate purposes, including commercial paper back-up.

Maturity Date: The Facility shall terminate and all amounts outstanding thereunder shall be due and payable five years from Closing; provided, however, the Maturity Date may be extended if the Borrower elects to exercise the Extension Option as described below.

Extension of Maturity Date: The Borrower may, prior to each anniversary of the Closing Date, but on no more than two (2) occasions, request an extension of the then-existing Maturity Date (each an "Extension Option") for an additional one-year period, subject to (i) advance notice provisions and (ii) the approval of Lenders holding more than 50% of the Commitments then in effect. No Lender shall be under any obligation to approve an extension request, and all Loans of each non-consenting Lender shall be subject to the then-existing Maturity Date, provided that Borrower shall have the right to replace the Commitment of any non-consenting Lender from existing Lenders and/or other financial institutions reasonably acceptable to the Administrative Agent and the Issuing Bank.

Closing: On or before October 25, 2012.

Interest Rates and Fees: Interest rates and fees in connection with the Facility will be as specified in the Fee Letter and on *Schedule I* attached hereto.

Loans Under the Facility: Borrowings may be requested upon three business days notice prior to the date of the proposed borrowing for LIBOR Loans and same business day notice for Base Rate Loans. Notice must be given to the Administrative Agent by 11:00 a.m., Charlotte, North Carolina time, on the day on which such notice is required. The Agent shall give notice to each Lender promptly upon receipt of any notice of borrowing. Each Lender shall, before 1:00 PM, Charlotte, North Carolina time, on the date of such borrowing, make available to the Administrative Agent for the account of the Borrower in same day funds, the proceeds of such borrowing. Such borrowing will then be made available to the Borrower by the Administrative Agent by crediting the account of the Borrower on the books of the Administrative Agent with the aggregate of the amounts made available to the Administrative Agent by the Lenders. The aggregate of all outstanding LIBOR Loans and Base Rate Loans under the Facility will be considered usage for purposes of determining availability under the Facility.

Swing Line Loans: Up to $70,000,000 of the Facility will be available for swing line loans (each, a "Swing Line Loan"). Wells Fargo shall act as the Swing Line Bank (the "Swing Line Bank"). Swing Line Loans shall be paid no later than 10 business days after such Loans were made. Swing Line Loans shall be for a minimum amount of

$1,000,000 and $500,000 increments in excess thereof. Swing Line Loans may be requested upon same business day notice. Notice must be given to the Administrative Agent by 3:00 p.m., Charlotte, North Carolina time on the date of the requested Swing Line Loan. The Swing Line Bank will make the proceeds of such Swing Line Loan available to the Borrower, in immediately available funds, at the account specified by the Borrower in the notice not later than 4:00 p.m., Charlotte, North Carolina time (or 12 noon, Charlotte, North Carolina time if notice was delivered before 10:00 a.m., Charlotte, North Carolina time). At the request of the Swing Line Bank and notwithstanding the existence of a Default or Event of Default, each of the other Lenders shall purchase from the Swing Line Bank its pro-rata share of the outstanding Swing Line Loans.

Swing Line Loans shall bear interest as set forth on _Schedule I_ attached hereto.

Letters of Credit: Up to $70,000,000 of the Facility will be available for the issuance of Letters of Credit by the Issuing Bank. Letters of Credit will be issued by the Issuing Bank at the request of the Borrower and shall expire no later than the fifth (5^{th}) business day prior to the Maturity Date. Borrower may request, from time to time, Loans to refinance outstandings under any Letter of Credit. Each of the Lenders shall acquire an irrevocable and unconditional pro-rata participation on each such Letter of Credit.

Optional Prepayments: Base Rate Loans may be prepaid at any time without penalty. LIBOR Rate Loans may be prepaid at the end of the applicable Interest Period without penalty. Prepayment of LIBOR Rate Loans prior to the end of the applicable Interest Period is subject to payment of any funding losses.

Conditions Precedent to Closing: The Closing of the Facility will be subject to satisfaction of conditions precedent deemed appropriate by the Administrative Agent including, but not limited to, the following:

(i) The negotiation, execution and delivery of definitive loan documentation for the Facility satisfactory to the Arrangers, Administrative Agent and the Lenders.

(ii) There shall not have occurred a material adverse change since December 31, 2011 in the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of the Borrower and any consolidated reporting entities, taken as a whole, or in the facts and information regarding such entities as represented to date and, except as disclosed in the Disclosure Documents, no material litigation shall exist.

(iii) All legal (including tax implications) and regulatory matters shall be satisfactory to the Administrative Agent.

(iv) Receipt and satisfactory review by the Administrative Agent and the Lenders of such financial information regarding the Borrower and any consolidated reporting entities as they may reasonably request.

(v) Payment of all fees and expenses required to be paid on or before Closing.

(vi) Receipt of other customary closing documentation, including, without limitation, corporate resolutions, secretary certificates, third-party approvals and legal opinions of the Borrower's counsel relating to the Facility acceptable to the Administrative Agent.

(vii) Receipt of evidence satisfactory to the Administrative Agent that all of the Borrower's obligations under the Existing Credit Agreement have been terminated.

Conditions Precedent to All Loans and the issuance of Letters of Credit:

Usual and customary for facilities of this type, and substantially similar to those contained in the Existing Credit Agreement, including, but not limited to, the following:

(i) all representations and warranties (other than representations and warranties with respect to no material adverse change and no material litigation) are true and correct in all material respects as of the date of each Loan;

(ii) no Event of Default under the Facility has occurred and is continuing or would result from such Loan; and

(iii) satisfaction of conditions to continue the effectiveness of the authorizations in the Public Service Commission order and Federal Energy Regulatory Commission order.

Representations and Warranties:

Usual and customary for facilities of this type, and substantially similar to those contained in the Existing Credit Agreement, including, but not limited to, the following:

(i) corporate existence and power;
(ii) corporate and governmental authorization/contravention;
(iii) binding effect;
(iv) correctness of specified financial statements and no material adverse change;
(v) material litigation;
(vi) compliance with ERISA;
(vii) payment of taxes;
(viii) compliance with laws (including OFAC and the Patriot Act);
(ix) ownership of common stock of Borrower;
(x) status under investment company act;
(xi) ownership of property/liens;

(xii) absence of defaults;
(xiii) accuracy of disclosure;
(xiv) environmental matters;
(xv) solvency;
(xvi) insurance;
(xvii) labor matters;
(xviii) use of proceeds/compliance with margin regulations; and
(xix) amendments of organizational documents.

Affirmative and Negative Covenants:

Usual and customary for facilities of this type, and substantially similar to those contained in the Existing Credit Agreement, including, but not limited to, the following:

(i) delivery of annual and quarterly financial statements (including officer's certificates relating to the preparation and reissue thereof);
(ii) delivery of compliance certificates, notices of default, material SEC filings, material litigation and material governmental and environmental proceedings;
(iii) inspection of property, books and records;
(iv) limitations on restricted payments;
(v) limitations on liens;
(vi) maintenance of existence / lines of business;
(vii) dissolution;
(viii) limitations on mergers, consolidations and sales of assets;
(ix) use of proceeds;
(x) compliance with laws (including ERISA and environmental laws, OFAC and Patriot Act) and material contractual obligations;
(xi) payment of taxes;
(xii) maintenance of insurance;
(xiii) change in fiscal year;
(xiv) maintenance of properties;
(xv) ERISA and environmental matters;
(xvi) issuances of additional shares of common stock of Borrower;
(xvii) limitation on new significant subsidiaries;
(xviii) limitations on agreements of subsidiaries;
(xix) maintenance of licenses, permits and registrations;
(xx) limitations on transactions with affiliates;
(xxi) limitations on loans or advances; and
(xxii) limitations on investments.

Financial Covenant:

Consolidated Total Indebtedness to Consolidated Total Capitalization of the Borrower not to exceed 70.0%.

For purposes of calculating Consolidated Total Indebtedness for the financial covenant only, "Hybrid Securities" (as defined below) shall not be included in the definition of Consolidated Total Indebtedness to the extent the total value of such Hybrid Securities does not exceed 15% of Consolidated Total Capitalization. "Hybrid Securities" means any trust preferred securities or other deferrable interest subordinated debt securities (a) issued by (1) the Borrower or a subsidiary or (2) any business trust, limited liability company, limited partnership (or similar entity) (i) all of the common equity, general partnership or similar interests of which are owned by the Borrower or a wholly-owned subsidiary, (ii) that has been formed for the sole purposes of issuing Hybrid Securities and (iii) substantially all of the assets of which consist of (A) subordinated Debt of the Borrower or a subsidiary and (B) proceeds received in respect of payments on such subordinated debt, (b) that have a maturity date after June 1, 2034, (c) that require no repayment or prepayments of principal and no mandatory redemptions or repurchases of principal prior to the date which is the 91st day after June 1, 2034 and (d) that permit the issuer of such securities, at its option, to defer certain scheduled interest payments.

Events of Default:

Usual and customary for facilities of this type, and substantially similar to those contained in the Existing Credit Agreement, including, but not limited to, the following:

(i) nonpayment of principal, interest, fees or other amounts (with cure periods as applicable);
(ii) violation of covenants (with cure periods as applicable);
(iii) inaccuracy of representations and warranties;
(iv) cross-default to other material agreements and indebtedness;
(v) loss or failure to maintain necessary licenses, permits or authorizations;
(vi) bankruptcy and other insolvency events;
(vii) material judgments or tax liens;
(viii) ERISA matters;
(ix) impairment of property;
(x) actual or asserted invalidity of any loan documentation; and
(xi) change of control.

Assignments & Participations:

Assignments in minimum amounts of $5,000,000 shall be subject (so long as no Event of Default or Default has occurred and is continuing) to consent of the Borrower, such consents not to be unreasonably withheld or delayed. Participations shall be permitted in minimum amounts of $5,000,000.

Increased Costs/Change of Circumstances:

Provisions customary in facilities of this type protecting the Lenders in the event of unavailability of funding, illegality, capital adequacy requirements, increased costs, withholding taxes and funding losses.

Required Lenders:

On any date of determination, those Lenders who collectively hold more than 50% of outstandings, or if no outstandings, those Lenders who collectively hold more than 50% of the aggregate commitments of the Lenders.

Waiver of Jury Trial,

Governing Law:	Waiver of jury trial, submission to jurisdiction in South Carolina. South Carolina law (without reference to choice of law provisions) to govern.
Indemnification:	The Borrower shall indemnify the Administrative Agent, the Arrangers, each of the Lenders and their respective affiliates, partners, directors, officers, agents and advisors and hold them harmless from and against all liabilities, damages, claims, costs, expenses (including reasonable fees, disbursements, settlement costs and other charges of counsel) relating to the Facility or any transactions related thereto and the Borrower's use of the loan proceeds or the commitments; provided that such indemnity will not, as to any indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such indemnitee. This indemnification shall survive and continue for the benefit of all such persons or entities.
Expenses:	The Borrower shall pay all reasonable costs and expenses associated with the preparation, due diligence, administration, syndication and enforcement of all documentation executed in connection with the Facility, including, without limitation, the reasonable legal fees of counsel to the Administrative Agent and Arrangers, regardless of whether or not the Facility is closed. The Borrower shall also pay the expenses of each Lender (including, without limitation, the reasonable legal fees and expenses of counsel to the Administrative Agent and Arrangers) in connection with the enforcement of any loan documentation of the Facility.
Patriot Act:	To help fight the funding of terrorism and money laundering activities, Federal Law requires U. S. financial institutions to obtain, verify and record information that identifies each person or entity that opens an account and/or enters into a business relationship with such financial institution.
Counsel to Wells Fargo Securities & Administrative Agent:	Alston & Bird LLP

SCHEDULE I

INTEREST AND FEES

Interest:

At the Borrower's option, loans (other than Swingline Loans) will bear interest based on the Base Rate or LIBOR, as described below:

A. Base Rate Option

Interest will be at the Base Rate plus the applicable Interest Margin (as described below). The "Base Rate" is defined as the highest of (a) the Federal Funds Rate, as published by the Federal Reserve Bank of New York plus 1/2 of 1%, (b) the prime commercial lending rate of the Administrative Agent, as established from time to time at its principal U.S. office (which such rate is an index or base rate and will not necessarily be its lowest or best rate charged to its customers or other banks) and (c) the one-month LIBOR (as defined below) plus 1%. Interest shall be payable quarterly in arrears and (i) with respect to Base Rate Loans based on the Federal Funds Rate and LIBOR, shall be calculated on the basis of the actual number of days elapsed in a year of 360 days and (ii) with respect to Base Rate Loans based on the prime commercial lending rate of the Administrative Agent, shall be calculated on the basis of the actual number of days elapsed in a year of 365/366 days. For purposes of determining the Base Rate for any day, changes in the Federal Funds Rate, prime rate and daily LIBOR shall be effective on the date of each such change. Any loan bearing interest at the Base Rate is referred to herein as a "Base Rate Loan".

Base Rate Loans will be made on same day notice and will be in minimum amounts of $5,000,000 and $1,000,000 in increments in excess thereof.

B. LIBOR Option

Interest will be determined for periods ("Interest Periods") of one, two, three or six months as selected by the Borrower and will be at an annual rate equal to the London Interbank Offered Rate ("LIBOR") for the corresponding deposits of U.S. dollars plus the applicable Interest Margin (as described below). LIBOR will be determined by the Administrative Agent at the start of each Interest Period and, other than in the case of LIBOR used in determining the Base Rate, will be fixed through such period. Interest will be paid at the end of each Interest Period or, in the case of Interest Periods longer than three months, quarterly, and will be calculated on the basis of the actual number of days elapsed in a year of 360 days. LIBOR will be adjusted for changes in maximum statutory reserve requirements (if any). Any loan bearing interest at LIBOR (other than a Base Rate Loan for which interest is determined by reference to LIBOR) is referred to herein as a "LIBOR Rate Loan".

LIBOR Rate Loans will be made on three business days' prior notice and will be in minimum amounts of $5,000,000 and $1,000,000 increments in excess thereof.

Swing Line Loans shall bear interest at a per annum rate equal to the LIBOR Market Index Rate (as defined below) plus the Interest Margin. "LIBOR Market Index Rate", for any day, is the rate for 1 month U.S. dollar deposits as reported on Telerate page 3750 as of 11:00 a.m., London time, for such day, provided, if such day is not a London business day, the immediately preceding London business day (or if not so reported, then as determined by the Swing Line Bank from another recognized source or interbank quotation).

Default Interest: (a) Automatically upon the occurrence and during the continuance of any payment event of default or upon a bankruptcy event of default or (b) at the election of the Required Lenders, upon the occurrence and during the continuance of any other event of default, all outstanding principal, fees and other obligations under the Facility shall bear interest at a rate per annum of two percent (2%) in excess of the rate then applicable to such loan (including the applicable Interest Margin) and shall be payable on demand of the Administrative Agent.

Interest Margins: The Interest Margin with respect to the Facility will be determined in accordance with the Pricing Grid set forth below.

Facility Fee: A facility fee (the "Facility Fee") will accrue on the full amount of the Facility, regardless of usage. The Facility Fee will be determined in accordance with the Pricing Grid set forth below. All accrued Facility Fees will be payable quarterly in arrears (calculated on a 360-day basis) for the account of the Lenders under the Facility and will accrue from the Closing Date.

Letter of Credit Fees: A letter of credit fee shall be payable quarterly in arrears at a rate equal to the Interest Margin on the average outstanding amount of Letters of Credit, to be shared proportionately by Lenders in accordance with their participation in the respective Letters of Credit.

Other Fees: The Lead Arrangers and the Administrative Agent will receive such other fees as will have been agreed in a fee letter dated as of August 6, 2012 between them and the Borrower ("***Fee Letter***").

Pricing Grid

Senior Unsecured Debt Rating	Interest Margin	Facility Fee
Level 1 at least A+/A1	0.80%	0.075%
Level 2 less than A+/A1; at least A/A2	0.90%	0.10%
Level 3 less than A/A2; at least A-/A3	1.00%	0.125%
Level 4 less than A-/A3; at least BBB+/Baa1	1.075%	0.175%
Level 5 less than BBB+/Baa1; at least BBB/Baa2	1.275%	0.225%
Level 6 less than BBB/Baa2; at least BBB-/Baa3	1.475%	0.275%
Level 7 Less than BBB-/Baa3	1.65%	0.35%

For purposes of this Pricing Grid, the term "Debt Rating" shall mean the ratings (a) with respect to Standard & Poor's Rating Service ("S&P"), assigned to the senior, unsecured non-credit enhanced, long-term debt of the Borrower by S&P (or if no such debt rating is provided by S&P, the issuer credit rating assigned to the Borrower by S&P) and (b) with respect to Moody's Investor Service ("Moody's"), assigned to the senior unsecured non-credit enhanced, long-term debt of the Borrower by Moody's (or if no such debt rating is provided by Moody's, the issuer rating assigned to the Borrower by Moody's). Such Debt Rating shall be based on the availability of such rating as follows:

(i) if either Moody's or S&P shall not have in effect a Debt Rating (other than by reason of the circumstances referred to in (iv) below), then such rating agency shall be deemed to have established a rating less than BBB-, in the case of S&P, and less than Baa3, in the case of Moody's;
(ii) if the Debt Ratings established or deemed to have been established by Moody's and S&P shall fall within different "Levels" and the ratings differential is one level, the higher rating will apply;
(iii) if the Debt Ratings established or deemed to have been established by Moody's and S&P shall fall within different "Levels" and the ratings differential is two levels or more, the level one below the higher of the two ratings will apply; and
(iv) if the rating system of Moody's or S&P shall change, or if Moody's or S&P shall cease to be in the business of rating corporate debt obligations or corporate issuers, as applicable, the Borrower and the Administrative Agent and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from Moody's or S&P, and, pending the effectiveness of any such amendment, the Debt Rating shall be determined by reference to the Debt Rating most recently in effect prior to such change or cessation.

SUMMARY OF TERMS AND CONDITIONS TO $500,000,000 FIVE-YEAR CREDIT AGREEMENT

This Summary of Terms and Conditions does not represent a commitment to lend on the part of Wells Fargo Bank, National Association, Merrill Lynch, Pierce, Fenner & Smith Incorporated or Morgan Stanley Senior Funding, Inc. or any other commitment on the part thereof or of any of its affiliates. Any such commitment shall be documented in the final loan documentation. The terms and conditions outlined herein are not intended to be all inclusive, but rather set forth a framework from which a mutually satisfactory transaction may be structured.

Borrower:	South Carolina Fuel Company, Inc., a South Carolina corporation (the "Borrower").
Guarantor:	South Carolina Electric & Gas Company, a South Carolina corporation (the "Guarantor").
Lead Arrangers:	Wells Fargo Securities, LLC ("WFS"), Merrill Lynch, Pierce, Fenner & Smith Incorporated ("ML") and Morgan Stanley Senior Funding, Inc. (("MS") and, together with WFS and ML, the "Arrangers") will arrange and structure the Facility.
Joint Book Runners:	WFS, ML and MS.
Administrative Agent:	Wells Fargo Bank, National Association (the "Administrative Agent" or "Wells Fargo").
Co-Syndication Agents:	Bank of America, N.A. and Morgan Stanley Senior Funding, Inc.
Documentation Agents:	To be determined.
Lenders:	A syndicate of lenders mutually acceptable to the Borrower and the Arrangers (the "Lenders") arranged by the Arrangers.
Facility:	A five-year revolving credit facility amending and restating the Existing Facility below in an aggregate principal amount of up to $500,000,000 (the "Facility"). The aggregate amount of the Facility may be increased to up to $600,000,000 before or after the Closing Date with the consent of the Borrower and the Administrative Agent on terms set forth in the final documentation (if such increase is after the Closing Date); provided, (i) any such increase shall be in a minimum amount equal to $25,000,000 and $5,000,000 integral multiples in excess thereof, and (ii) any such increase shall not increase any Lender's commitment without its prior consent
Existing Facility:	Five-Year Credit Agreement dated as of October 25, 2010, among the Borrower, Wells Fargo, as Administrative Agent, Issuing Bank and Swingline Lender, Bank of America, N.A. and Morgan Stanley Senior Funding, Inc., as Co-Syndication Agents, UBS Securities LLC and Credit Suisse AG, Cayman Islands Branch, as Documentation Agents, Wells Fargo Securities, LLC, Banc of America Securities LLC and Morgan Stanley Senior Funding, Inc.,

as Co-Lead Arrangers and Co-Book Runners and certain other lenders party thereto (the "Existing Credit Agreement").

Purpose:	The proceeds of the Facility shall be used to refinance existing indebtedness of the Borrower under the Existing Credit Agreement and finance or refinance the purchase of nuclear fuel, fossil fuel and emission and other environmental allowances and as commercial paper back-up.
Collateral:	Secured by a perfected first priority security interest in all nuclear fuel, fossil fuel and emission and other environmental allowance inventories of the Borrower per a series of Security Agreements.
Maturity Date:	The Facility shall terminate and all amounts outstanding thereunder shall be due and payable five years from Closing; provided, however, the Maturity Date may be extended if the Borrower elects to exercise the Extension Option (as described below).
Extension of Maturity Date:	The Borrower may, prior to each anniversary of the Closing Date, but on no more than two (2) occasions, request an extension of the then-existing Maturity Date (each an "Extension Option") for an additional one-year period, subject to (i) advance notice provisions and (ii) the approval of Lenders holding more than 50% of the Commitments then in effect. No Lender shall be under any obligation to approve an extension request, and all Loans of each non-consenting Lender shall be subject to the then-existing Maturity Date, provided that Borrower shall have the right to replace the Commitment of any non-consenting Lender from existing Lenders and/or other financial institutions reasonably acceptable to the Administrative Agent and the Issuing Bank.
Closing:	On or before October 25, 2012.
Interest Rates and Fees:	Interest rates and fees in connection with the Facility will be as specified in the Fee Letter and on *Schedule I* attached hereto.
Loans Under the Facility:	Borrowings may be requested upon three business days notice prior to the date of the proposed borrowing for LIBOR Loans and same business day notice for Base Rate Loans. Notice must be given to the Administrative Agent by 11:00 a.m., Charlotte, North Carolina time, on the day on which such notice is required. The Agent shall give notice to each Lender promptly upon receipt of any notice of borrowing. Each Lender shall, before 1:00 PM, Charlotte, North Carolina time, on the date of such borrowing, make available to the Administrative Agent for the account of the Borrower in same day funds, the proceeds of such borrowing. Such borrowing will then be made available to the Borrower by the Administrative Agent by crediting the account of the Borrower on the books of the Administrative Agent with the aggregate of the amounts made available to the Administrative Agent by the Lenders. The aggregate of all outstanding LIBOR Loans and Base Rate Loans under the Facility will be considered usage for purposes of determining availability under the Facility.

Swing Line Loans:

Up to $50,000,000 of the Facility will be available for swing line loans (each, a "Swing Line Loan"). Wells Fargo shall act as the Swing Line Bank (the "Swing Line Bank"). Swing Line Loans shall be paid no later than 10 business days after such Loans were made. Swing Line Loans shall be for a minimum amount of $1,000,000 and $500,000 increments in excess thereof. Swing Line Loans may be requested upon same business day notice. Notice must be given to the Administrative Agent by 3:00 p.m., Charlotte, North Carolina time on the date of the requested Swing Line Loan. The Swing Line Bank will make the proceeds of such Swing Line Loan available to the Borrower, in immediately available funds, at the account specified by the Borrower in the notice not later than 4:00 p.m., Charlotte, North Carolina time (or 12 noon, Charlotte, North Carolina time if notice was delivered before 10:00 a.m., Charlotte, North Carolina time). At the request of the Swing Line Bank and notwithstanding the existence of a Default or Event of Default, each of the other Lenders shall purchase from the Swing Line Bank its pro-rata share of the outstanding Swing Line Loans.

Swing Line Loans shall bear interest as set forth on *Schedule I* attached hereto.

Optional Prepayments:

Base Rate Loans may be prepaid at any time without penalty. LIBOR Rate Loans may be prepaid at the end of the applicable Interest Period without penalty. Prepayment of LIBOR Rate Loans prior to the end of the applicable Interest Period is subject to payment of any funding losses.

Conditions Precedent to Closing:

The Closing of the Facility will be subject to satisfaction of conditions precedent deemed appropriate by the Administrative Agent including, but not limited to, the following:

(i) The negotiation, execution and delivery of definitive loan documentation for the Facility satisfactory to the Arrangers, Administrative Agent and the Lenders.

(ii) There shall not have occurred a material adverse change since December 31, 2011 in the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of the Borrower, the Guarantor and any consolidated reporting entities, taken as a whole, or in the facts and information regarding such entities as represented to date and, except as disclosed in the Disclosure Documents, no material litigation shall exist.

(iii) All legal (including tax implications) and regulatory matters shall be satisfactory to the Administrative Agent.

(iv) Receipt and satisfactory review by the Administrative Agent and the Lenders of such financial information regarding the Borrower, the Guarantor and any consolidated reporting entities as they may reasonably request.

(v) Payment of all fees and expenses required to be paid on or before Closing.

(vi) Receipt of other customary closing documentation, including, without limitation, corporate resolutions, secretary certificates, third-party approvals and legal opinions of the Borrower's counsel relating to the Facility acceptable to the Administrative Agent.

(vii) Receipt of evidence satisfactory to the Administrative Agent that all of the Borrower's obligations under the Existing Credit Agreement have been terminated.

Conditions Precedent to All Loans:

Usual and customary for facilities of this type, and substantially similar to those contained in the Existing Credit Agreement, including, but not limited to, the following:

(i) all representations and warranties (other than representations and warranties with respect to no material adverse change and no material litigation) are true and correct in all material respects as of the date of each Loan; and

(ii) no Event of Default under the Facility has occurred and is continuing or would result from such Loan.

Representations and Warranties:

Usual and customary for facilities of this type, and substantially similar to those contained in the Existing Credit Agreement, including, but not limited to, the following:

(i) corporate existence and power;
(ii) corporate and governmental authorization/contravention;
(iii) binding effect;
(iv) correctness of specified financial statements and no material adverse change;
(v) material litigation;
(vi) compliance with ERISA;
(vii) payment of taxes;
(viii) compliance with laws (including OFAC and the Patriot Act);
(ix) ownership of capital stock of Borrower;
(x) status under investment company act;
(xi) ownership of property/liens;
(xii) absence of defaults;
(xiii) accuracy of disclosure;
(xiv) environmental matters;
(xv) solvency;
(xvi) insurance;
(xvii) labor matters;
(xviii) perfection of security interest;

(xix) use of proceeds/compliance with margin regulations; and
(xx) amendments to organizational documents.

Affirmative and Negative Covenants:

Usual and customary for facilities of this type, and substantially similar to those contained in the Existing Credit Agreement, including, but not limited to, the following:

(i) delivery of annual and quarterly financial statements (including officer's certificates relating to the preparation and reissue thereof);
(ii) delivery of compliance certificates, notices of default, material SEC filings, material litigation and material governmental and environmental proceedings;
(iii) inspection of property, books and records;
(iv) limitations on restricted payments;
(v) limitations on liens;
(vi) maintenance of existence/lines of business;
(vii) dissolution;
(viii) limitations on mergers, consolidations and sales of assets;
(ix) use of proceeds;
(x) compliance with laws (including ERISA and environmental laws, OFAC and Patriot Act) and material contractual obligations;
(xi) payment of taxes;
(xii) maintenance of insurance;
(xiii) change in fiscal year;
(xiv) maintenance of properties;
(xv) ERISA and environmental matters;
(xvi) issuances of additional shares of capital stock of Borrower;
(xvii) limitation on new significant subsidiaries;
(xviii) limitations on agreements of subsidiaries;
(xix) maintenance of licenses, permits and registrations;
(xx) limitations on loans and advances;
(xxi) limitations on investments;
(xxii) business activities and assets of the borrower; and
(xxiii) limitations on transactions with affiliates.

Financial Covenant:

With respect to the Guarantor, Consolidated Total Indebtedness to Consolidated Total Capitalization not to exceed 70.0%. For purposes of calculating Consolidated Total Indebtedness for the financial covenant only, "Hybrid Securities" (as defined below) shall not be included in the definition of Consolidated Total Indebtedness to the extent the total value of such Hybrid Securities does not exceed 15% of Consolidated Total Capitalization. "Hybrid Securities" means any trust preferred securities or other deferrable interest subordinated debt securities (a) issued by (1) the Guarantor or a subsidiary or (2) any business trust, limited liability company, limited partnership (or similar entity) (i) all of the common equity, general partnership or similar interests of which are owned by the Guarantor or a wholly-owned subsidiary, (ii) that has been formed for the sole purposes of issuing Hybrid Securities and (iii) substantially all of the assets of which consist of (A) subordinated Debt of the Guarantor or a subsidiary and (B) proceeds received in respect of payments on such subordinated debt, (b) that have a maturity date after June 1, 2034, (c) that require no repayment or prepayments of principal and no mandatory redemptions or repurchases of principal prior to the date which is the 91st day after June 1, 2034 and (d) that permit the issuer of such securities, at its option, to defer certain scheduled interest payments.

Disclosure of any off-balance sheet debt of the Guarantor in excess of $1,000,000.

Events of Default:

Usual and customary for facilities of this type, and substantially similar to those contained in the Existing Credit Agreement, including, but not limited to, the following:

(i) nonpayment of principal, interest, fees or other amounts (with cure periods as applicable);
(ii) violation of covenants (with cure periods as applicable);
(iii) inaccuracy of representations and warranties;
(iv) cross-default to other material agreements and indebtedness;
(v) loss or failure to maintain necessary licenses, permits or authorizations;
(vi) bankruptcy and other insolvency events;
(vii) material judgments or tax liens;
(viii) ERISA matters;
(ix) actual or asserted invalidity of any loan documentation;
(x) impairment of security interest;
(xi) change of control; and
(xii) material involuntary liens (other than tax liens due but not in default).

Assignments & Participations:

Assignments in minimum amounts of $5,000,000 shall be subject (so long as no Event of Default or Default has occurred and is continuing) to consent of the Borrower, such consents not to be unreasonably withheld or delayed. Participations shall be permitted in minimum amounts of $5,000,000.

Increased Costs/Change of Circumstances:	Provisions customary in facilities of this type protecting the Lenders in the event of unavailability of funding, illegality, capital adequacy requirements, increased costs, withholding taxes and funding losses.
Required Lenders:	On any date of determination, those Lenders who collectively hold more than 50% of outstandings, or if no outstandings, those Lenders who collectively hold more than 50% of the aggregate commitments of the Lenders.
Waiver of Jury Trial, Governing Law:	Waiver of jury trial, submission to jurisdiction in South Carolina. South Carolina law (without reference to choice of law provisions) to govern.
Indemnification:	The Borrower shall indemnify the Administrative Agent, the Arrangers, each of the Lenders and their respective affiliates, partners, directors, officers, agents and advisors and hold them harmless from and against all liabilities, damages, claims, costs, expenses (including reasonable fees, disbursements, settlement costs and other charges of counsel) relating to the Facility or any transactions related thereto and the Borrower's use of the loan proceeds or the commitments; provided that such indemnity will not, as to any indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such indemnitee. This indemnification shall survive and continue for the benefit of all such persons or entities.
Expenses:	The Borrower shall pay all reasonable costs and expenses associated with the preparation, due diligence, administration, syndication and enforcement of all documentation executed in connection with the Facility, including, without limitation, the reasonable legal fees of counsel to the Administrative Agent and Arrangers, regardless of whether or not the Facility is closed. The Borrower shall also pay the expenses of each Lender (including, without limitation, the reasonable legal fees and expenses of counsel to the Administrative Agent and Arrangers) in connection with the enforcement of any loan documentation of the Facility.
Patriot Act:	To help fight the funding of terrorism and money laundering activities, Federal Law requires U. S. financial institutions to obtain, verify and record information that identifies each person or entity that opens an account and/or enters into a business relationship with such financial institution.
Counsel to Wells Fargo Securities & Administrative Agent:	Alston & Bird LLP

Schedule I

INTEREST AND FEES

Interest:

At the Borrower's option, loans (other than Swingline Loans) will bear interest based on the Base Rate or LIBOR, as described below:

A. Base Rate Option

Interest will be at the Base Rate plus the applicable Interest Margin (as described below). The "Base Rate" is defined as the highest of (a) the Federal Funds Rate, as published by the Federal Reserve Bank of New York plus 1/2 of 1%, (b) the prime commercial lending rate of the Administrative Agent, as established from time to time at its principal U.S. office (which such rate is an index or base rate and will not necessarily be its lowest or best rate charged to its customers or other banks) and (c) the one-month LIBOR (as defined below) plus 1%. Interest shall be payable quarterly in arrears and (i) with respect to Base Rate Loans based on the Federal Funds Rate and LIBOR, shall be calculated on the basis of the actual number of days elapsed in a year of 360 days and (ii) with respect to Base Rate Loans based on the prime commercial lending rate of the Administrative Agent, shall be calculated on the basis of the actual number of days elapsed in a year of 365/366 days. For purposes of determining the Base Rate for any day, changes in the Federal Funds Rate, prime rate and daily LIBOR shall be effective on the date of each such change. Any loan bearing interest at the Base Rate is referred to herein as a "Base Rate Loan".

Base Rate Loans will be made on same day notice and will be in minimum amounts of $5,000,000 and $1,000,000 in increments in excess thereof.

B. LIBOR Option

Interest will be determined for periods ("Interest Periods") of one, two, three or six months as selected by the Borrower and will be at an annual rate equal to the London Interbank Offered Rate ("LIBOR") for the corresponding deposits of U.S. dollars plus the applicable Interest Margin (as described below). LIBOR will be determined by the Administrative Agent at the start of each Interest Period and, other than in the case of LIBOR used in determining the Base Rate, will be fixed through such period. Interest will be paid at the end of each Interest Period or, in the case of Interest Periods longer than three months, quarterly, and will be calculated on the basis of the actual number of days elapsed in a year of 360 days. LIBOR will be adjusted for changes in maximum statutory reserve requirements (if any). Any loan bearing interest at LIBOR (other than a Base Rate Loan for which interest is determined by reference to LIBOR) is referred to herein as a "LIBOR Rate Loan".

LIBOR Rate Loans will be made on three business days' prior notice and will be in minimum amounts of $5,000,000 and $1,000,000 increments in excess thereof.

Swing Line Loans shall bear interest at a per annum rate equal to the LIBOR Market Index Rate (as defined below) plus the Interest Margin. "LIBOR Market Index Rate", for any day, is the rate for 1 month U.S. dollar deposits as reported on Telerate page 3750 as of 11:00 a.m., London time, for such day, provided, if such day is not a London business day, the immediately preceding London business day (or if not so reported, then as determined by the Swing Line Bank from another recognized source or interbank quotation).

Default Interest: (a) Automatically upon the occurrence and during the continuance of any payment event of default or upon a bankruptcy event of default or (b) at the election of the Required Lenders, upon the occurrence and during the continuance of any other event of default, all outstanding principal, fees and other obligations under the Facility shall bear interest at a rate per annum of two percent (2%) in excess of the rate then applicable to such loan (including the applicable Interest Margin) and shall be payable on demand of the Administrative Agent.

Interest Margins: The Interest Margin with respect to the Facility will be determined in accordance with the Pricing Grid set forth below.

Facility Fee: A facility fee (the "Facility Fee") will accrue on the full amount of the Facility, regardless of usage. The Facility Fee will be determined in accordance with the Pricing Grid set forth below. All accrued Facility Fees will be payable quarterly in arrears (calculated on a 360-day basis) for the account of the Lenders under the Facility and will accrue from the Closing Date.

Other Fees: The Lead Arrangers and the Administrative Agent will receive such other fees as will have been agreed in a fee letter dated as of August 6, 2012 between them and the Borrower ("***Fee Letter***").

Pricing Grid

Senior Unsecured Debt Rating	Interest Margin	Facility Fee
Level 1 at least A+/A1	0.80%	0.075%
Level 2 less than A+/A1; at least A/A2	0.90%	0.10%
Level 3 less than A/A2; at least A-/A3	1.00%	0.125%
Level 4 less than A-/A3; at least BBB+/Baa1	1.075%	0.175%
Level 5 less than BBB+/Baa1; at least BBB/Baa2	1.275%	0.225%
Level 6 less than BBB/Baa2; at least BBB-/Baa3	1.475%	0.275%
Level 7 Less than BBB-/Baa3	1.65%	0.35%

For purposes of this Pricing Grid, the term "Debt Rating" shall mean the ratings (a) with respect to Standard & Poor's Rating Service ("S&P"), assigned to the senior, unsecured non-credit enhanced, long-term debt of the Guarantor by S&P (or if no such debt rating is provided by S&P, the issuer credit rating assigned to the Guarantor by S&P) and (b) with respect to Moody's Investor Service ("Moody's"), assigned to the senior unsecured non-credit enhanced, long-term debt of the Guarantor by Moody's (or if no such debt rating is provided by Moody's, the issuer rating assigned to the Guarantor by Moody's). Such Debt Rating shall be based on the availability of such rating as follows:

(i) if either Moody's or S&P shall not have in effect a Debt Rating (other than by reason of the circumstances referred to in (iv) below), then such rating agency shall be deemed to have established a rating less than BBB-, in the case of S&P, and less than Baa3, in the case of Moody's;
(ii) if the Debt Ratings established or deemed to have been established by Moody's and S&P shall fall within different "Levels" and the ratings differential is one level, the higher rating will apply;
(iii) if the Debt Ratings established or deemed to have been established by Moody's and S&P shall fall within different "Levels" and the ratings differential is two levels or more, the level one below the higher of the two ratings will apply; and
(iv) if the rating system of Moody's or S&P shall change, or if Moody's or S&P shall cease to be in the business of rating corporate debt obligations or corporate issuers, as applicable, the Borrower and the Administrative Agent and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from Moody's or S&P, and, pending the effectiveness of any such amendment, the Debt Rating shall be determined by reference to the Debt Rating most recently in effect prior to such change or cessation.

South Carolina Electric Gas Company
Pro Forma Consolidated Balance Sheet
June 30, 2012 (Unaudited)

Thousands of dollars	Actual		Adjustments For Credit Facilities Application	As Adjusted
Assets:				
Utility Plant, Net	$ 8,409,350			$ 8,409,350
Nontility Property, Net	56,754			56,754
Assets Held in Trust, Net - Nuclear Decommissioning	89,983			89,983
Other Investments	3,360			3,360
Total Property & Investments	8,559,447		-	8,559,447
Current Assets:				
Cash and Cash Equivalents	9,903	(a)	$ 1,696,300	1,706,203
Receivables, Net of Allowance for Uncollectible Accounts	466,058			466,058
Affiliated Receivables	6,606			6,606
Inventories (at Average Cost)	296,878			296,878
Prepayments and Other	166,511			166,511
Total Current Assets	945,956		1,696,300	2,642,256
Deferred Debits and Other Assets:				
Regulatory Assets	1,143,629			1,143,629
Other	148,066	(a)	3,700	151,766
Total Deferred Debits and Other Assets	1,291,695		3,700	1,295,395
Total Assets	$ 10,797,098		$ 1,700,000	$ 12,497,098
Capitalization and Liabilities:				
Capitalization:				
Preferred Stock	$ 100			$ 100
Common Equity	3,756,098			3,756,098
Noncontrolling Interest	1,345			1,345
Long-Term Debt, Net	3,011,103	(a)	$ 1,700,000	4,711,103
Total Capitalization	6,768,646		1,700,000	8,468,646
Current Liabilities:				
Short-Term Borrowings	585,758			585,758
Current Portion of Long-Term Debt	162,264			162,264
Accounts Payable	144,814			144,814
Accounts Payable - Affiliated Companies	78,874			78,874
Customer Deposits	53,669			53,669
Taxes Accrued	135,960			135,960
Dividends Declared	52,302			52,302
Other	168,448			168,448
Total Current Liabilities	1,382,089		-	1,382,089
Deferred Credits:				
Deferred Income Taxes	1,345,307			1,345,307
Deferred Investment Tax Credits	34,870			34,870
Asset Retirement Obligations	435,753			435,753
Postretirement benefits	181,158			181,158
Regulatory Liabilities	589,230			589,230
Other	60,045			60,045
Total Deferred Credits	2,646,363		-	2,646,363
Total Capitalization and Liabilities	$ 10,797,098		$ 1,700,000	$ 12,497,098

Thousands of dollars	Actual		Adjustments For Credit Facilities Application	As Adjusted
Operating Revenues				
Electric	$ 2,395,619			$ 2,395,619
Gas	352,342			352,342
Total Operating Revenues	2,747,961			2,747,961
Operating Expenses				
Fuel Used in Electric Generation	734,415			734,415
Purchased Power	197,338			197,338
Gas Purchased for Resale	199,705			199,705
Other Operation and Maintenance	513,197			513,197
Depreciation and Amortization	272,902			272,902
Other Taxes	179,816			179,816
Total Operating Expenses	2,097,373			2,097,373
Operating Income	650,588			650,588
Other Income (Expense)				
Other Income	15,767			15,767
Other Expenses	(12,022)			(12,022)
Interest Charges, net of allowance for borrowed funds used during construction	(188,333)	(b)	$ (51,000)	
		(c)	(807)	(240,140)
Total Other Expense	(184,588)		(51,807)	(236,395)
Income Before Income Tax Expense	466,000		(51,807)	414,193
Income Tax Expense (Benefit)	142,935	(b)	(19,507)	
		(c)	(309)	123,119
Net Income	$ 323,065		$ (31,991)	$ 291,074

South Carolina Electric Gas Company
Pro Forma Consolidated Statement of Capitalization
June 30, 2012 (Unauditied)

Thousands of dollars	Actual	%		Adjustments For Credit Facilities Application	As Adjusted	%
Short-Term Debt	$ 585,758			$ -	$ 585,758	
Long-Term Debt, Net	3,011,103		(a)	1,700,000	4,711,103	
Current Portion of Long-Term Debt	162,264				162,264	
Total Debt	3,759,125	50.0%		1,700,000	5,459,125	59.2%
Preferred Stock	100	0.0%			100	0.0%
Common Stock Equity	3,756,098	50.0%			3,756,098	40.8%
Noncontrolling Interest	1,345	0.0%			1,345	0.0%
	$ 7,516,668	100.0%		$ 1,700,000	$ 9,216,668	100.0%

This pro forma sets forth the adjustments to SCE&G's balance sheet, statement of income and its capitalization ratios for the credit facility application filed with the Commission, based on the assumptions described below.

Adjustments for Credit Facility Application:

The Company assumes drawing $1.1 billion from SCE&G's credit facilities and $600 million from SCFC's credit facilities as outlined in the related application. The Company assumes the credit facilities will have five-year maturities except for $200 million of such facilities, which the Company assumes will have three-year maturities. The interest rates on the credit facilities will vary depending on the interest rate option selected by SCE&G and SCFC and the applicable LIBOR Rate Margin or spread. Issuance costs related to the negotiation or consummation of the credit facilities are assumed to total $3.7 million, of which $3.2 million relates to facilites with five-year maturities and $0.5 million relates to facilities with three-year maturities.

(a) Represents the receipt of an aggregate $1.7 billion ($1.1 billion at SCE&G and $600 million at SCFC) under the proposed credit facilities, net of debt issuance costs of $3,700,000.

(b) Represents the interest expense and the related income tax effects resulting from the issuance of additional long-term debt outstanding for twelve months. Calculations are as follows:

Proposed aggregate borrowings under credit facilities	$	1,700,000,000
Assumed interest rate		3.00%
Interest expense on proposed borrowings	$	51,000,000
Income tax decrease:		
$51,000,000 * 38.25% (composite rate)	$	19,507,500

(c) Represents the amortization of estimated issuance costs and the related income tax effects from the new debt issuance described in (a).

Debt issuance expense		
$3,200,000 / 5 years	$	640,000
$500,000 / 3 years	$	166,667
Impact of debt issuance expense per year	$	806,667
Income tax decrease		
$806,667 * 38.25%	$	308,550